

HODGSON, RUSS, ANDREWS, WOODS & GOODYEAR

(A PARTNERSHIP INCLUDING PROFESSIONAL ASSOCIATIONS)

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July 12, 1994

INTERSTATE COMMERCE COMMISSION

6100306047

Mr. Stanley Strickland, Secretary
Interstate Commerce Commission
Room No. 2215
12th and Constitution Avenue NW
Washington, D.C. 20423

Dear Secretary:

I have enclosed an original and one fully executed and acknowledged counterpart of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Specific Security Agreement, a primary document dated June 24, 1994.

The names and addresses of the parties to the documents are as follows:

Debtor: Eastern Railway Supplies, Inc.
1005 Indian Church Road
West Seneca, New York 14224

Secured Party: Manufacturers and Traders
Trust Company
One M&T Plaza
Buffalo, New York 14240

A description of the equipment covered by the document follows:

Included in the property covered by the aforesaid Specific Security Agreement are railroad mounted cranes intended for use related to interstate commerce, or interests therein, owned by Eastern Railway Supplies, Inc. at the date of said Specific Security Agreement or thereafter acquired by it or its successors as owners of the water carriers or the lines of railway covered by the Specific Security Agreement.

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Mr. Stanley Strickland, Secretary
July 12, 1994
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Also included in the property covered by the aforesaid Specific Security Agreement are leases, chattel paper or bailments of railroad mounted cranes intended for use related to interstate commerce, or interests therein, entered into by Eastern Railway Supplies, Inc. at the date of said Specific Security Agreement or thereafter entered into by it or its successors as owners of the water carriers or the lines of railway covered by the Specific Security Agreement.

A fee of \$18.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Mary J. Edwards, Esq., Hodgson, Russ, Andrews, Woods & Goodyear, 1800 One M&T Plaza, Buffalo, New York 14203-2391.

A short summary of the document to appear in the index follows:

Specific Security Agreement between Eastern Railway Supplies, Inc., 1005 Indian Church Road, West Seneca, New York 14224, and Manufacturers and Traders Trust Company, One M&T Plaza, Buffalo, New York 14240 dated June 24, 1994, and covering all now owned or hereafter acquired railroad mounted cranes of Eastern Railway Supplies, Inc. and all now existing or hereafter entered into leases, chattel paper or bailments of railroad mounted cranes of Eastern Railway Supplies, Inc.

Very truly yours,



Mary J. Edwards, Esq.
Hodgson, Russ, Andrews, Woods
& Goodyear
Counsel to Manufacturers and
Traders Trust Company

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SPECIFIC SECURITY AGREEMENT
MANUFACTURERS AND TRADERS TRUST COMPANY NEW YORK STATE COMMERCE COMMISSION

In consideration of Manufacturers and Traders Trust Company, a New York banking corporation, (the "Bank") heretofore or hereafter (1) granting any loan, credit or other financial accommodation to, or in reliance upon any guaranty, endorsement or other assurance of, any of the undersigned or Eastern Railway Supplies, Inc.

(Name)

New York business corporation

a (Type of entity and, if not an individual, jurisdiction in which organized)

having his or her residence or its only or chief executive office at 1005 Indian Church Road,

(Address) West Seneca, New York 14224

(the "Borrower"), (2) permitting any extension, renewal, refinancing, modification or replacement of any indebtedness, liability or obligation arising as a direct or indirect result of any such loan, credit or other financial accommodation, (3) surrendering or releasing any guaranty, endorsement or other assurance, any collateral or other security, or any subordination, directly or indirectly securing, or otherwise directly or indirectly applicable to, any such indebtedness, liability or obligation or (4) granting any waiver of, or any forbearance or other indulgence relating to, any right or remedy relating to any such indebtedness, liability or obligation, to any such guaranty, endorsement or other assurance, to any such collateral or other security or to any such subordination, and for other valuable consideration, the receipt of which is acknowledged, each of the undersigned agrees with the Bank as follows:

1. Reference to Definitions.

a. For purposes of this Agreement, each of the following terms has the meaning given it in Section 16 of this Agreement: (i) Bankruptcy Law, (ii) Collateral, (iii) Debtor, (iv) Equipment, (v) Event of Default, (vi) General Intangible, (vii) Goods, (viii) Inventory, (ix) Obligations, (x) Other Collateral, (xi) Other Obligor, (xii) Permitted Lien, (xiii) Person, (xiv) Primary Obligor, (xv) Secured Party and (xvi) Successor.

b. For purposes of this Agreement, each of the following terms has the meaning given it for purposes of Article 9 of the Uniform Commercial Code of the State of New York as in effect on the date of this Agreement: (i) Account, (ii) Account Debtor, (iii) Chattel Paper, (iv) Consumer Goods, (v) Deposit Account, (vi) Document, (vii) Farm Product, (viii) Fixture, (ix) Instrument, (x) Proceeds and (xi) Products.

c. For purposes of this Agreement, "Uncertificated Security" has the meaning given it for purposes of Article 8 of the Uniform Commercial Code of the State of New York as in effect on the date of this Agreement.

2. Security Interest; Nature of Security Interest.

a. To secure the payment of the Obligations, each Debtor grants to each Secured Party a security interest in, and assigns, pledges and hypothecates to each Secured Party, the Collateral.

b. Each security interest granted, and each assignment, pledge and hypothecation made, pursuant to Section 2a of this Agreement (i) is unconditional, (ii) is independent of and in addition to all Other Collateral, (iii) is a continuing security interest, assignment, pledge or hypothecation, and (iv) shall continue in full force and effect except insofar as this Agreement is terminated as provided in Section 12g of this Agreement.

3. Reinstatement of Obligations. Each portion of the Obligations that is (a) paid by any money received or applied by any Secured Party (including, but not limited to, any such money constituting, or received or applied because of the existence of, the Collateral, any portion thereof or any Other Collateral) and later returned by or otherwise recovered from any Secured Party as a direct or indirect result of any claim, regardless of the basis or outcome thereof and whether now existing or hereafter arising, for the return or any other recovery of such money (including, but not limited to, any such claim based, in whole or in part, upon any allegation that (i) such money constituted trust funds for purposes of the Lien Law of the State of New York or for purposes of any similar statute, regulation or other law, (ii) the receipt or application of such money constituted an impermissible setoff or (iii) the receipt or application of such money, or the grant or perfection of any security interest in, or of any other lien or encumbrance upon, the Collateral, any portion thereof or any Other Collateral, constituted a preference or fraudulent transfer for purposes of any Bankruptcy Law) or (b) satisfied by any Secured Party's retention of any portion of the Collateral, or any Secured Party's retention of any Other Collateral, that is later returned by or otherwise recovered from any Secured Party as a direct or indirect result of any claim, regardless of the basis or outcome thereof and whether now existing or hereafter arising, for the return or any other recovery of such portion of the Collateral or Other Collateral (including, but not limited to, any such claim based, in whole or in part, upon any allegation that the grant or perfection of any security interest in, or of any other lien or encumbrance upon, such portion of the Collateral or Other Collateral constituted a preference or fraudulent transfer for purposes of any Bankruptcy Law) shall be reinstated as part of the Obligations for purposes of this Agreement (including, but not limited to, Section 12g of this Agreement) as of the date it originally arose and for purposes of each statute of limitations with respect to any action or other legal proceeding by any Secured Party against any Debtor relating to this Agreement as of the date of such return or other recovery of such money, portion of the Collateral or Other Collateral.

4. Covenants.

a. Simultaneously with the execution and delivery to the Bank of this Agreement, each of the undersigned shall execute and deliver to the Bank each financing statement, instrument of assignment and other writing, and take each other action, that the Bank shall deem necessary or desirable at the sole option of the Bank to perfect or accomplish any security interest granted, or any assignment, pledge or hypothecation made, pursuant to Section 2a of this Agreement.

b. Simultaneously with the execution and delivery to the Bank of this Agreement, each of the undersigned shall deliver each Instrument described in Exhibit A attached to and made a part of this Agreement and held by him, her or it to the Bank with each endorsement, instrument of assignment and other writing that the Bank shall deem necessary or desirable at the sole option of the Bank to accomplish the assignment or other transfer of such Instrument to the Bank. Until such delivery, he, she or it shall hold such Instrument in trust for each Secured Party.

c. Immediately upon receiving any Instrument (except for, until (i) the occurrence or existence of any Event of Default or (ii) any notice to the contrary shall be delivered, given or sent by any Secured Party to any Debtor, a check or other draft) as a direct or indirect result of any replacement, release, surrender, discharge, assignment, sale, exchange, conversion or other transfer or disposition of, or of any exercise of any option or right of subscription relating to, or otherwise on account of, any Instrument described in Exhibit A attached to and made a part of this Agreement, each Debtor shall deliver such newly received Instrument to the Bank or to the then Successor of the Bank (or, if any notice specifying any other Secured Party to receive delivery of Instruments shall have previously been delivered, given or sent by the Bank or by any Successor of the Bank to such Debtor or to any other Debtor of whom or of which such Debtor is a Successor, to such other Secured Party) with each endorsement, instrument of assignment and other writing that the Bank or the then Successor of the Bank (or such other Secured Party) shall deem necessary or desirable at the sole option of the Bank or of the then Successor of the Bank (or of such other Secured Party) to accomplish the assignment or other transfer of

such newly received instrument to the Bank or to the then Successor of the Bank (or to such other Secured Party). Until such delivery, such Debtor shall hold such newly received instrument in trust for each Secured Party.

d. Each instrument that is delivered to any Secured Party by any Debtor and thereby becomes part of the Collateral shall be so delivered with each endorsement, instrument of assignment and other writing that such Secured Party shall deem necessary or desirable at the sole option of such Secured Party to accomplish the assignment or other transfer of such instrument to such Secured Party.

e. Each Debtor shall provide to each Secured Party known to such Debtor, in form satisfactory to such Secured Party, (i) if such Debtor is an individual, at least once during each period of twelve consecutive months, a personal financial statement of such Debtor for a year ending not more than sixty days earlier, in reasonable detail and certified by such Debtor to be complete and accurate, (ii) if such Debtor is not an individual, within sixty days after the end of each fiscal quarter of each fiscal year of such Debtor, statements of income and of changes in financial position of such Debtor for such fiscal quarter and for the period from the beginning of such fiscal year to the end of such fiscal quarter and a balance sheet of such Debtor as of the end of such fiscal quarter, each in reasonable detail and certified by an officer or member of such Debtor to present fairly, subject to normal and nonmaterial year-end adjustments, the results of the operations, and the changes in financial position, of such Debtor for such fiscal quarter and for the period from the beginning of such fiscal year to the end of such fiscal quarter, and the financial position of such Debtor as of the end of such fiscal quarter, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal quarter of such Debtor, (iii) if such Debtor is not an individual, within ninety days after the end of each fiscal year of such Debtor, statements of income and of changes in financial position of such Debtor for such fiscal year and a balance sheet of such Debtor as of the end of such fiscal year, each in reasonable detail and certified by an independent certified public accountant acceptable to such Secured Party to present fairly the results of the operations, and the changes in financial position, of such Debtor for such fiscal year, and the financial position of such Debtor as of the end of such fiscal year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year of such Debtor and to have been based upon an audit by such accountant that was made in accordance with generally accepted auditing standards and accordingly included such tests of accounting records and such other auditing procedures as such accountant deemed necessary in the circumstances, and (iv) promptly upon the request of such Secured Party, all additional information relating to such Debtor or to such Debtor's business, operations, assets, affairs or condition (financial or other) that is so requested.

f. Each Debtor shall maintain or cause another Debtor to maintain accurate and complete records relating to the Collateral (including, but not limited to, upon the request of any Secured Party, a perpetual inventory record relating to inventory included in the Collateral) in conformity with generally accepted accounting principles applied on a consistent basis.

g. Before the end of any applicable grace period, each Debtor shall pay or cause to be paid each tax, assessment, fee and charge imposed by any government or political subdivision upon the Collateral, upon any portion of the Collateral, upon any sale, use or operation of the Collateral or of any portion of the Collateral, upon this Agreement or upon any instrument evidencing any portion of the obligations owing by such Debtor.

h. Each Debtor shall defend the Collateral, or cause another Debtor to defend it, against each demand, claim, counterclaim, setoff and defense asserted by any person other than a Secured Party (including, but not limited to, any Account Debtor).

i. Each Debtor shall insure all Goods of such Debtor included in the Collateral against each risk to which such Goods may from time to time be subject (including, but not limited to, fire, theft and risks covered by extended coverage). Such insurance shall be provided in such amounts, for such periods, on such terms and by such companies as shall be satisfactory to each Secured Party known to such Debtor. Without limiting the generality of the preceding two sentences, each policy pursuant to which any such insurance is provided shall contain a mortgagee clause, in form and substance satisfactory to each Secured Party known to such Debtor, (i) naming such Secured Party as mortgagee as the interest of such Secured Party may appear and (ii) providing that (A) all money payable pursuant to such insurance shall be payable to such Secured Party, (B) such insurance shall not be affected by any act or neglect of any Debtor or of any owner of any real property described in such policy and (C) such policy and such mortgagee clause may not be cancelled or amended except upon ten days' prior written notice to such Secured Party. Each Debtor shall deliver to the Bank (or, if any notice specifying any other Secured Party to receive delivery of copies of policies shall have previously been delivered, given or sent by the Bank or by any Successor of the Bank to such Debtor or to any other Debtor of whom or of which such Debtor is a Successor, to such other Secured Party) a copy of each policy pursuant to which any such insurance is provided.

j. Each Debtor shall immediately (i) cause the interest of each Secured Party known to such Debtor to be properly noted on each certificate of title relating to any Goods of such Debtor included in the Collateral and (ii) deliver each such certificate received by such Debtor to the Bank or to the then Successor of the Bank (or, if any notice specifying any other Secured Party to receive delivery of certificates of title shall have previously been delivered, given or sent by the Bank or by any Successor of the Bank to such Debtor or to any other Debtor of whom or of which such Debtor is a Successor, to such other Secured Party).

k. Each Debtor shall use his, her or its best efforts to cause any issuer of any General Intangible or instrument included in the Collateral to make public, whether by filing reports with the Securities and Exchange Commission or otherwise, all information with respect to such issuer necessary or desirable to permit the sale or other disposition of such General Intangible or instrument without registration pursuant to the Securities Act of 1933.

l. Immediately upon acquiring knowledge or reason to know of any maturity, call, exchange, conversion, redemption, offer, tender or similar matter relating to any General Intangible or instrument included in the Collateral, each Debtor shall deliver or send notice of such maturity, call, exchange, conversion, redemption, offer, tender or similar matter to each Secured Party known to such Debtor.

m. Immediately upon acquiring knowledge or reason to know that any Goods included in the Collateral have been affixed to, or installed in or on, any real property or any Goods not included in the Collateral, each Debtor shall deliver or send notice of such affixing or installation to each Secured Party known to such Debtor.

n. If any Account or General Intangible of any Debtor included in the Collateral represents money owing pursuant to any contract for the improvement of real property or for a public improvement for purposes of the Lien Law of the State of New York, such Debtor shall (i) immediately send or deliver notice of such fact to each Secured Party known to such Debtor, (ii) receive and hold any money advanced by the Bank or by any Successor of the Bank with respect to such Account or General Intangible as a trust fund to be first applied to the payment of trust claims as such term is defined in Section 71 of such Lien Law, (iii) until each such trust claim is paid, not use or permit the use of any of such money for any purpose other than the payment of such trust claims and (iv) promptly upon the request of any Secured Party, execute and deliver each writing, and take each other action, that such Secured Party shall deem necessary or desirable at the sole option of such Secured Party to give or file notice of such Secured Party's interest in such Account or General Intangible pursuant to whichever of Sections 15, 16 and 73 of such Lien Law is applicable.

o. If any Account or General Intangible of any Debtor included in the Collateral arises out of a contract with the United States of America or with any department, agency or instrumentality thereof, such Debtor shall (i) immediately send or deliver notice of such fact to each Secured Party known to such Debtor and (ii) promptly upon the request of any Secured Party, execute and deliver each writing, and take each other action, that such Secured Party shall deem necessary or desirable at the sole option of such Secured Party properly to perfect under the Federal Assignments of Claims Act the interest of such Secured Party in such Account or General Intangible.

p. Each Debtor shall promptly deliver or send to each Secured Party known to such Debtor notice of any failure of any Account Debtor or other Person to perform any obligation relating to any Account, Chattel Paper, General Intangible, instrument or document of such Debtor included in the Collateral.

q. Immediately upon receiving any proxy statement, notice or other communication relating to any General Intangible or Instrument included in the Collateral, each Debtor shall (i) if such proxy statement, notice or other communication is in writing, deliver a copy of such proxy statement, notice or other communication to each Secured Party known to such Debtor or (ii) if such proxy statement, notice or other communication is not in writing, deliver or send notice of such proxy statement, notice or other communication to each Secured Party known to such Debtor.

r. Immediately upon acquiring knowledge or reason to know of the threat or commencement of any action or other legal proceeding relating to the Collateral or to any portion thereof, each Debtor shall deliver or send notice of such threat or commencement of such action or other legal proceeding to each Secured Party known to such Debtor.

s. Immediately upon acquiring knowledge or reason to know of the occurrence or existence of (i) any Event of Default, (ii) any event or condition that, after notice, after lapse of time or after both notice and lapse of time, would constitute an Event of Default or (iii) any event or condition that has had or (so far as can be foreseen) will or might have any material adverse effect on the Collateral, on any portion thereof, on any Debtor, Primary Obligor or Other Obligor or on the business, operations, assets, affairs or condition (financial or other) of any Debtor, Primary Obligor or Other Obligor, each Debtor shall deliver or send notice of such Event of Default, event or condition to each Secured Party known to such Debtor.

t. Immediately upon acquiring knowledge or reason to know of any change in (i) the location of the residence or only or chief executive office of any Debtor, (ii) the location of any record of any Debtor relating to the Collateral or to any portion thereof, (iii) the location of the Collateral or of any portion thereof if not in the possession or under the control of, or enroute to or from, any Secured Party or (iv) the name, identity or structure of any Debtor, each Debtor shall deliver or send notice of such change to each Secured Party known to such Debtor.

u. No Debtor shall execute or permit to be filed or remain on file in any public office any financing statement (i) relating to the Collateral or to any portion thereof, (ii) naming such Debtor as debtor and (iii) not naming any Secured Party as secured party, except for financing statements fully and accurately described in Exhibit B attached to and made a part of this Agreement.

v. No Debtor shall (i) permit to exist any registration of any transfer or pledge of any Uncertificated Security included in the Collateral, (ii) execute or permit to exist any order to register any transfer or pledge of, or any notification of any security interest in, or of any other lien or encumbrance upon, any such Uncertificated Security or (iii) permit any such Uncertificated Security to be shown on the records of any clearing corporation other than in the name of any Debtor, Secured Party or nominee of any Secured Party, except for registrations, orders, notifications and Uncertificated Securities fully and accurately described in Exhibit B attached to and made a part of this Agreement.

w. No Debtor shall create or permit to exist, or attempt or agree or otherwise incur any obligation to create or permit to exist, any security interest in, or any other lien or encumbrance upon, the Collateral or any portion thereof, except for Permitted Liens.

x. No Debtor shall abandon, assign, sell, lease, exchange, convert or otherwise transfer or dispose of the Collateral, any portion thereof or any interest in the Collateral or in any portion thereof, except that, until (i) the occurrence or existence of any Event of Default or (ii) any notice to the contrary shall be delivered, given or sent by any Secured Party to any Debtor, each Debtor may, in the ordinary course of such Debtor's business, (A) if all Equipment of such Debtor, wherever located, whether now owned or hereafter acquired, is included in the Collateral, (i) abandon, assign, sell, lease, exchange or otherwise transfer or dispose of any Equipment of such Debtor included in the Collateral that is obsolete or worn-out or (ii) sell or exchange any Equipment of such Debtor included in the Collateral in connection with the acquisition of other Equipment that is at least as valuable as such Equipment and that such Debtor intends to use for substantially the same purposes as such Equipment, (B) if all Accounts of such Debtor, whether now owned or hereafter acquired or arising, are included in the Collateral, assign any Account of such Debtor included in the Collateral for purposes of collection or (C) assign, sell, lease, exchange or otherwise transfer or dispose of any Inventory or Farm Product of such Debtor included in the Collateral other than in partial or complete satisfaction of any indebtedness, liability or obligation of such Debtor.

y. No Debtor shall use, or assign, sell, lease, exchange or otherwise transfer or dispose of, the Collateral or any portion thereof in any manner that (i) violates, or will result in any violation of, any statute, regulation or other law or any policy providing any insurance on the Collateral or on any portion thereof or (ii) would or might result in any such insurance not being paid.

z. No Debtor shall permit any Goods included in the Collateral to be or become an accession to any Goods not included in the Collateral.

aa. No Debtor shall place any Goods included in the Collateral in any warehouse that may issue a negotiable Document with respect to such Goods.

bb. Upon and after (i) the occurrence or existence of any Event of Default or (ii) the delivery, giving or sending by any Secured Party to any Debtor of any notice not to do so, no Debtor shall, without the prior written consent of the Bank or of the then Successor of the Bank (or, if any notice specifying any other Secured Party to give consents shall have previously been delivered, given or sent by the Bank or by any Successor of the Bank to such Debtor or to any other Debtor of whom or of which such Debtor is a Successor, of such other Secured Party), (A) request, demand, accept, collect, enforce, extend, renew, refinance, modify, compound, subordinate, accelerate, settle, adjust or compromise, enter into any composition of, replace, cancel, release, surrender, abandon, discharge, realize upon, commence, prosecute, settle or compromise any action or other legal proceeding relating to, waive any right or remedy relating to or otherwise terminate, impair or otherwise affect any indebtedness, liability or obligation of any Account Debtor or other Person relating to, or give any receipt, release or discharge relating to, any Account, Chattel Paper, General Intangible or Instrument included in the Collateral or (B) attempt or agree or otherwise incur any obligation to do anything described in clause (A) of this sentence.

cc. Promptly upon the request of any Secured Party made upon or at any time and from time to time after the occurrence or existence of any Event of Default, each Debtor shall assemble all Goods of such Debtor included in the Collateral and make them available to such Secured Party at each place reasonably convenient to such Secured Party and such Debtor as such Secured Party shall designate (including, but not limited to, any premises of such Debtor).

dd. Promptly upon the request of any Secured Party:

i. Each Debtor shall enter into each warehousing, lockbox and other custodial arrangement with respect to the Collateral or with respect to any portion thereof that such Secured Party shall deem necessary or desirable at the sole option of such Secured Party.

ii. Each Debtor shall provide or cause another Debtor to provide such Secured Party with all information, in form and substance satisfactory to such Secured Party, that such Secured Party shall deem necessary or desirable at the sole option of such Secured Party to (A) identify the nature, extent, value, age and location of the Collateral or of any portion thereof, (B) identify or contact any Account Debtor or other Person obligated with respect to any Account, Chattel Paper, General Intangible or Instrument included in the Collateral or (C) verify any insurance covering the Collateral or any portion thereof.

iii. Each Debtor shall permit such Secured Party and each officer, employee, accountant, attorney and other agent of such Secured Party to inspect each portion of the Collateral in the possession or under the control of such Debtor and to examine, audit, copy and extract each record of such Debtor relating to the Collateral or to any portion thereof.

iv. Each Debtor shall provide or cause another Debtor to provide such Secured Party with a writing, in form and substance satisfactory to such Secured Party, (A) signed by each Person having any interest, whether as owner, mortgagee, lessee or otherwise, in any real property to which are affixed, or in or on which are installed, any Goods included in the Collateral or on which are located any records of any Debtor relating to the Collateral or to any portion thereof, (B) disclaiming any interest of such Person in such Goods or records and (C) containing the agreement of such

Person to each Secured Party, upon and at any time and from time to time after the occurrence or existence of any Event of Default, entering upon, and removing such Goods or records from, such real property, and using such real property in the sale, lease or other disposition of such Goods or in the examination, audit, copying or extraction of such records, without by doing so incurring any liability to such Person, except for unreasonable damage to such real property resulting from doing so.

v. Each Debtor shall provide or cause another Debtor to provide such Secured Party with a writing, in form and substance satisfactory to such Secured Party, (A) signed by each Person having any interest, whether as owner, secured party, lessee or otherwise, in any Goods not included in the Collateral to which are affixed, or in or on which are installed, any Goods included in the Collateral, (B) disclaiming any interest of such Person in such Goods included in the Collateral and (C) containing the agreement of such Person to each Secured Party, upon and at any time and from time to time after the occurrence or existence of any Event of Default, removing such Goods included in the Collateral from such Goods not included in the Collateral, and entering upon any real property of such Person so to remove such Goods included in the Collateral, without by doing so incurring any liability to such Person, except for unreasonable damage to such Goods not included in the Collateral or to such real property resulting from doing so.

vi. Each Debtor shall provide all information and assistance, execute and deliver each writing, and take each other action, that such Secured Party shall deem necessary or desirable at the sole option of such Secured Party in connection with the verification of any Account, Chattel Paper or General Intangible of such Debtor included in the Collateral.

vii. Each Debtor shall deliver each Chattel Paper and Document of such Debtor included in the Collateral and each other record (including, but not limited to any schedule, invoice, shipping document, delivery receipt, purchase order or written agreement) of such Debtor evidencing, or relating to, the Collateral or any portion thereof to the Bank or to the then Successor of the Bank (or, if any notice specifying any other Secured Party to receive delivery of Chattel Paper, Documents and other records shall have previously been delivered, given or sent by the Bank or by any Successor of the Bank to such Debtor or to any other Debtor of whom or of which such Debtor is a Successor, to such other Secured Party) with each endorsement, instrument of assignment and other writing that the Bank or the then Successor of the Bank (or such other Secured Party) shall deem necessary or desirable at the sole option of the Bank or of the then Successor of the Bank (or of such other Secured Party) to accomplish the assignment or other transfer of such Chattel Paper, Document or record to the Bank or to the then Successor of the Bank (or to such other Secured Party).

viii. Each Debtor shall execute and deliver or file each form and other writing (including, but not limited to, any notice of proposed sale of securities pursuant to Rule 144 of the Securities and Exchange Commission), and take each other action (including, but not limited to, making public any nonpublic material adverse information with respect to any issuer of any General Intangible or Instrument included in the Collateral), that such Secured Party shall deem necessary or desirable at the sole option of such Secured Party to permit the sale or other disposition of any such General Intangible or Instrument without registration pursuant to the Securities Act of 1933.

ix. Each Debtor who or which controls any issuer of any General Intangible or Instrument included in the Collateral or otherwise has the right to effect registration of such General Intangible or Instrument pursuant to the Securities Act of 1933 shall (A) cause such General Intangible or Instrument to be so registered, (B) take each other action (including, but not limited to, complying with any "blue sky" or securities statute, regulation or other law and delivering to such Secured Party appropriate quantities of prospectuses) that such Secured Party shall deem necessary or desirable at the sole option of such Secured Party to permit the public sale or other disposition of such General Intangible or Instrument by such Secured Party in each jurisdiction that such Secured Party shall select at the sole option of such Secured Party and (C) execute and deliver to such Secured Party a writing, in form and substance satisfactory to such Secured Party, indemnifying in connection with such sale or other disposition each Person who or which is an underwriter (statutory or other) of such General Intangible or Instrument against each liability, cost and expense (including, but not limited to, if such Person retains counsel for advice, for litigation or for any other purpose, each attorney's fee and disbursement) incurred by such Person as a direct or indirect result of such sale or other disposition.

x. Each Debtor shall execute and deliver each writing, and take each other action, that such Secured Party shall deem necessary or desirable at the sole option of such Secured Party (i) to perfect or accomplish any security interest granted, or any assignment, pledge or hypothecation made, pursuant to Section 2a of this Agreement, (ii) otherwise to accomplish any purpose of this Agreement, (iii) in connection with any transaction contemplated by this Agreement or (iv) in connection with the Collateral or any portion thereof.

5. Authorization and Power of Attorney. Each Secured Party is irrevocably and unconditionally authorized to take, and each Debtor irrevocably and unconditionally appoints each Secured Party severally as the attorney-in-fact of such Debtor, with full power of substitution and of revocation, to take, in the name of such Debtor or otherwise at the sole option of such Secured Party, each action relating to the Collateral or to any portion thereof that, subject to this Agreement, such Debtor could take in the same manner, to the same extent and with the same effect as if such Debtor were to take such action; provided, however, that, until any notice of intention to do so shall be delivered, given or sent by any Secured Party to any Debtor upon or at any time after the occurrence or existence of any Event of Default, (a) such Secured Party shall not have the right, pursuant to such authorization or as such attorney-in-fact, to (i) exercise or direct the exercise of any right to vote or give any consent, ratification or waiver with respect to any General Intangible or Instrument included in the Collateral or (ii) except as expressly permitted by this Agreement, sell or otherwise dispose of the Collateral or any portion thereof and (b) each Debtor shall have the right to exercise any right to vote or give any consent, ratification or waiver with respect to any General Intangible or Instrument included in the Collateral that such Debtor would have but for this Agreement unless doing so would or might have any adverse effect on the value of such General Intangible or Instrument as security for the Obligations or otherwise be inconsistent or incompatible with any provision or purpose of this Agreement. Such power of attorney is coupled with an interest in favor of each Secured Party, and shall not be terminated or otherwise affected by the death, disability or incompetence of any Debtor. Without limiting the generality of the first sentence of this Section 5, pursuant to such authorization and as such attorney-in-fact, each Secured Party may, in the name of any Debtor or otherwise at the sole option of such Secured Party, (a) execute any financing statement relating to the Collateral or to any portion thereof or any amendment of any such financing statement, (b) endorse, or execute any instrument of assignment relating to, and deliver the Collateral or any portion thereof (including, but not limited to, any instrument drawn by any company issuing any insurance on the Collateral or on any portion thereof), whether such endorsement or assignment is to such Secured Party or otherwise, (c) execute any writing, or give any communication in any other form, requesting any transfer, pledge or release from pledge of any Uncertificated Security included in the Collateral, (d) execute and deliver or file any form or other writing (including, but not limited to, any notice of proposed sale of securities pursuant to Rule 144 of the Securities and Exchange Commission), or take any other action (including, but not limited to, making public any nonpublic material adverse information with respect to any issuer of any General Intangible or Instrument included in the Collateral), that such Secured Party shall deem necessary or desirable at the sole option of such Secured Party to permit the sale or other disposition of any such General Intangible or Instrument without registration pursuant to the Securities Act of 1933, (e) receive and collect any mail addressed to any Debtor, direct the place of delivery of any such mail to any location designated by such Secured Party, open any such mail and remove from any such mail and retain any enclosure constituting, or relating to, the Collateral or any portion thereof, (f) obtain, adjust, settle or cancel any insurance on the Collateral or on any portion thereof, (g) take any action described in clause (A) of Section 4bb of this Agreement or (h) execute and deliver any writing, or take any other action, that such Secured Party shall deem necessary or desirable at the sole option of such Secured Party (i) to perfect or accomplish any security interest granted, or any assignment, pledge or hypothecation made, pursuant to Section 2a of this Agreement, (ii) otherwise to accomplish any purpose of this Agreement, (iii) in connection with any transaction contemplated by this Agreement or (iv) in connection with the Collateral or any portion thereof. Each Debtor revokes each power of attorney (including, but not limited to, any proxy) heretofore granted by such Debtor with respect to any General Intangible or Instrument included in the Collateral.

6. Certain Rights, Remedies and Duties.

a. With respect to the Collateral, each Secured Party shall have each applicable right and remedy of a secured party under the Uniform Commercial Code of the State of New York and each applicable right and remedy pursuant to any other statute, regulation or other law or pursuant to this Agreement.

b. Each Secured Party shall have the right to file in any public office, without the signature of any Debtor, each financing statement relating to the Collateral or to any portion thereof that such Secured Party shall deem necessary or desirable at the sole option of such Secured Party. Each carbon, photographic and other reproduction of this Agreement or of any financing statement relating to the Collateral or to any portion thereof shall be sufficient as a financing statement.

c. Each Secured Party shall have the right to verify each Account, Chattel Paper and General Intangible included in the Collateral in any manner or through any medium such Secured Party considers appropriate, whether directly with any Account Debtor or otherwise or in the name of any Debtor or otherwise, at the sole option of such Secured Party.

d. Each Secured Party shall have the right to (i) notify each Account Debtor and other Person obligated on any Account, Chattel Paper, General Intangible or Instrument included in the Collateral of the interest of such Secured Party therein, (ii) direct such Account Debtor or other Person to make payment with respect to such Account, Chattel Paper, General Intangible or Instrument directly to such Secured Party and (iii) take control of all Proceeds of such Account, Chattel Paper, General Intangible or Instrument.

e. Each Secured Party shall have the right to transfer to or register in the name of such Secured Party or of any nominee of such Secured Party any General Intangible or Instrument included in the Collateral so that such Secured Party or nominee shall appear as the sole owner of record of such General Intangible or Instrument. Each such transfer or registration may be made with or without reference to this Agreement or to any security interest granted, or to any assignment, pledge or hypothecation made, pursuant to Section 2a of this Agreement.

f. Upon and at any time and from time to time after the occurrence or existence of any Event of Default:

i. Each Secured Party shall have the right to use all Equipment included in the Collateral for the purposes of preserving the Collateral or any portion thereof, of completing any work in process included in the Collateral and of preparing the Collateral or any portion thereof for sale, lease or other disposition.

ii. Each Secured Party shall have the right, without any judicial process but without any breach of the peace, to (A) enter upon any premises of any Debtor and remain on and use such premises for the purposes of completing any work in process included in the Collateral, of preparing the Collateral or any portion thereof for sale, lease or other disposition and of disposing of, or of collecting, the Collateral or any portion thereof and (B) without the payment of any compensation of any kind, use each trademark, service mark, trade style, trade name, patent, copyright, license, franchise and similar General Intangible included in the Collateral to the extent of any Debtor's rights in such trademark, service mark, trade style, trade name, patent, copyright, license, franchise or similar General Intangible for the purposes of exercising any right or remedy pursuant to this Agreement or any other right or remedy relating to the Collateral or to any portion thereof; and, to such extent for such purposes, each Debtor grants to each Secured Party a license in each such trademark, service mark, trade style, trade name, patent, copyright, license, franchise and similar General Intangible.

iii. If any Secured Party opts for the private sale or other disposition of any General Intangible or Instrument included in the Collateral, such Secured Party shall have the right to (A) restrict the number of prospective bidders in connection with such sale or other disposition so as to comply with the Securities Act of 1933 and (B) restrict such prospective bidders to Persons who will agree to purchase such General Intangible or Instrument for their own accounts for investment and not with a view to distribution or resale. No such restriction or other restriction on such sale or other disposition that such Secured Party shall deem necessary or desirable at the sole option of such Secured Party in light of any "blue sky" or securities statute, regulation or other law shall be deemed to be a factor in determining such sale or other disposition to have been made in other than a commercially reasonable manner.

iv. Each Secured Party shall have the right to perform any obligation of any Debtor pursuant to this Agreement.

g. Until (i) the occurrence or existence of any Event of Default or (ii) any notice to the contrary shall be delivered, given or sent by any Secured Party to any Debtor, no Secured Party shall have any right to any profit, interest, dividend, distribution or other income or payment consisting of money or a check or other draft and payable on account of any General Intangible or Instrument included in the Collateral, and any Secured Party who or which prior thereto receives any such profit, interest, dividend, distribution or other income or payment shall pay it to any Debtor.

h. Each Secured Party shall apply all proceeds received by such Secured Party from the sale, lease or other disposition of, or from any collection of, the Collateral or any portion thereof or otherwise on account of the Collateral or of any portion thereof first to costs and expenses described in Section 10 of this Agreement and then to such other of the Obligations, whether due or not due, as such Secured Party shall determine at the sole option of such Secured Party.

7. Standards of Care. If the Collateral or any portion thereof shall be transferred to or registered in the name of any Secured Party or of any nominee of any Secured Party or shall be in the possession or under the control of any Secured Party, such Secured Party shall be deemed to have exercised reasonable care in the custody or preservation of the Collateral or of such portion thereof if, subject to the following sentence, he, she or it (a) affords the Collateral or such portion thereof treatment substantially equal to the treatment that he, she or it accords his, her or its own assets of a similar nature or (b) takes such action in the custody or preservation of the Collateral or of such portion thereof as is reasonably specified in any notice delivered or sent by any Debtor and received by him, her or it (or by any other Secured Party from whom or from which his, her or its interest in the Collateral or in such portion thereof directly or indirectly derives after such delivery or sending and receipt of such notice) in a reasonable time to evaluate and take such action; provided, however, that (i) any failure by him, her or it to take such action shall not of itself be deemed to be a failure to exercise such reasonable care and (ii) in no event shall he, she or it be obligated to take such action if he, she or it determines at his, her or its sole option that doing so would or might have any adverse effect on the value of the Collateral or of such portion thereof as security for the Obligations or otherwise be inconsistent or incompatible with any provision or purpose of this Agreement. In no event shall such Secured Party be obligated to (a) preserve any right or remedy against any prior party obligated pursuant to any Chattel Paper or Instrument included in the Collateral, whether or not such Chattel Paper or Instrument is in the possession or under the control of such Secured Party, (b) ascertain any maturity, call, exchange, conversion, redemption, offer, tender or similar matter relating to any General Intangible or Instrument included in the Collateral or provide to any Debtor any notice of such maturity, call, exchange, conversion, redemption, offer, tender or similar matter, whether or not such Secured Party has knowledge of such maturity, call, exchange, conversion, redemption, offer, tender or similar matter or (c) provide to any Debtor any proxy statement, notice or other communication received by such Secured Party or by any nominee of such Secured Party and relating to the Collateral or to any portion thereof.

8. Obligations Immediately Due; Termination of Obligation to Lend.

a. Upon and at any time and from time to time after the occurrence or existence of any Event of Default other than an Event of Default described in clause (iv) of Section 16e of this Agreement, each portion of the Obligations then owing by any Debtor to any Secured Party shall, at the sole option of such Secured Party and without any notice, demand, presentment or protest of any kind, become immediately due, notwithstanding any agreement to the contrary. Upon the occurrence or existence of any Event of Default described in such clause (iv), each portion of the Obligations then owing by any Debtor shall, without any notice, demand, presentment or protest of any kind, automatically become immediately due.

notwithstanding any agreement to the contrary. Nothing in this Section 8a shall render any portion of the Obligations that is payable on demand payable otherwise than on demand or in any other way affect any right or remedy of any Secured Party with respect to any such portion of the Obligations.

b. Upon the occurrence or existence of any Event of Default, any obligation of any Secured Party to grant any or any additional loan, credit or other financial accommodation to any Debtor shall terminate, notwithstanding any agreement to the contrary.

9. Representations and Warranties.

a. Each of the undersigned represents and warrants to each Secured Party as follows:

i. Each answer contained in any questionnaire submitted to the Bank by him, her or it in connection with this Agreement is true and correct as of the date of this Agreement.

ii. His, her or its execution, delivery to the Bank and performance of this Agreement do not and will not (A) violate, or result in any violation of, any statute, regulation or other law or any judgment, order or award of any court, agency or other governmental authority or of any arbitrator or (B) violate, result in any violation of, constitute (whether immediately or after notice, after lapse of time or after both notice and lapse of time) any default under, or result in or require the imposition or creation of any security interest in, or of any other lien or encumbrance upon, any of his, her or its assets pursuant to, any agreement to which he, she or it is a party or by which he, she or it or any of his, her or its assets is bound, except for this Agreement.

iii. Each authorization, approval, permit and consent from, each registration and filing with, each declaration and notice to, and each other act by or relating to, any Person required as a condition of his, her or its execution, delivery to the Bank and performance of this Agreement has been duly obtained, made, given and done, and is in full force and effect.

iv. If it is not an individual, its execution, delivery to the Bank and performance of this Agreement (A) are and will be in furtherance of its purposes and within its power and authority, (B) do not and will not violate, result in any violation of, or result in or require the imposition or creation of any security interest in, or of any other lien or encumbrance upon, any of its assets pursuant to, (I) its certificate or articles of incorporation, by-laws, partnership agreement or articles of association or any other charter, organizational or governing document of it or (II) any resolution or other action of record of its shareholders or members, of its board of directors or trustees or of any other Person responsible for governing it, and (C) have been duly authorized by each necessary action of its shareholders or members, of its board of directors or trustees and of each other Person responsible for governing it.

v. He, she or it has not heretofore extended, renewed, refinanced, modified, compounded, subordinated, accelerated, settled, adjusted or compromised, entered into any composition of, replaced, cancelled, released, surrendered, abandoned, discharged, assigned, sold, exchanged, converted or otherwise transferred or disposed of, exercised any option or right of subscription relating to, settled or compromised any action or other legal proceeding relating to, or waived any right or remedy relating to or otherwise terminated, impaired or otherwise affected any indebtedness, liability or obligation of any Account Debtor or of any other Person relating to, any Account, Chattel Paper, General Intangible or Instrument included in the Collateral, except as fully and accurately described in Exhibit B attached to and made a part of this Agreement.

vi. There exists no pending action or other legal proceeding relating to the Collateral or to any portion thereof, except for actions and other legal proceedings fully and accurately described in Exhibit B attached to and made a part of this Agreement.

vii. There is not on file in any public office any presently effective financing statement (A) relating to the Collateral or to any portion thereof, (B) naming him, her or it as debtor and (C) not naming the Bank as secured party, except for financing statements fully and accurately described in Exhibit B attached to and made a part of this Agreement.

viii. There exists no (A) presently effective registration of any transfer or pledge of any Uncertificated Security included in the Collateral, (B) outstanding order to register any transfer or pledge of any such Uncertificated Security, (C) notification of any security interest in, or of any other lien or encumbrance upon, any such Uncertificated Security or (D) such Uncertificated Security that is shown on the records of any clearing corporation other than in the name of any Debtor, except for registrations, orders, notifications and Uncertificated Securities fully and accurately described in Exhibit B attached to and made a part of this Agreement.

ix. There exists no security interest in, and no other lien or encumbrance upon, the Collateral or any portion thereof, except for Permitted Liens.

x. There is no restriction on assignment or other transfer by him, her or it of the Collateral or of any portion thereof, except for compliance with any "blue sky" or securities statute, regulation or other law.

xi. The real estate on which any crop or uncut timber included in the Collateral is growing or is to be grown is fully and accurately described in Exhibit B attached to and made a part of this Agreement.

* b. At each time this Agreement is in effect as to any Debtor, such Debtor shall be deemed to represent and warrant to each Secured Party as follows:

i. Each Instrument and Document included in the Collateral at such time is genuine, is in all respects what it purports to be, and is enforceable in accordance with its terms.

ii. Each Account, Chattel Paper and General Intangible included in the Collateral at such time is genuine, is in all respects what it purports to be, and is enforceable in accordance with its terms against each Account Debtor obligated thereon, and each sum represented by any Debtor to any Secured Party as owing by such Account Debtor thereon is actually and unconditionally owing by such Account Debtor, except for any applicable normal cash discount, without any counterclaim, setoff or defense. The aggregate sum represented at such time by any Debtor to any Secured Party as owing by Account Debtors is the aggregate sum actually and unconditionally owing by Account Debtors at such time, except for applicable normal cash discounts.

10. Expenses. Each Debtor shall pay to each Secured Party on demand each cost and expense (including, but not limited to, if such Secured Party retains counsel for advice, for litigation or for any other purpose, each attorney's fee and disbursement) incurred by such Secured Party (a) in searching any public record for, filing or recording in any public office, or obtaining from any public office any certificate relating to, any financing statement, instrument of assignment or other writing relating to the Collateral or to any portion thereof, (b) in performing any obligation of such Debtor pursuant to this Agreement, (c) in exercising any right or remedy pursuant to Section 5 or 6 of this Agreement, (d) in connection with the custody or preservation of the Collateral or of any portion thereof or (e) in endeavoring to (i) enforce any indebtedness, liability or obligation of such Debtor pursuant to this Agreement, (ii) preserve or exercise any right or remedy against such Debtor pursuant to this Agreement, (iii) preserve or exercise any right or remedy relating to, take possession of, collect or enforce, have registered pursuant to the Securities Act of 1933, prepare for sale, lease or other disposition, assign, sell, lease, exchange, convert or otherwise transfer or dispose of, or realize upon, the Collateral or any portion thereof, (iv) verify any Account or General Intangible included in the Collateral, (v) obtain any information relating to any Uncertificated Security included in the Collateral from the issuer of such Uncertificated Security or register any transfer or pledge of such Uncertificated Security with such issuer or (vi) defend against any claim, regardless of the basis or outcome thereof, asserted against any Secured Party as a direct or indirect result of the entry into this Agreement, except for any claim for any tax imposed by any government or political subdivision upon any income of any Secured Party or for any interest or penalty relating to any such tax. After such demand for payment of any cost or expense incurred

* xii. Without limiting the generality of the foregoing, the undersigned owns the railroad mounted cranes listed on Rider 1 attached to and made a part of this Agreement and the leases listed on Rider 2 attached to and made a part of this Agreement.

by such Secured Party in performing any obligation of any Debtor pursuant to Section 4g, 4h, 4i or 4w of this Agreement, such Debtor shall pay interest at the highest rate permitted by law on the portion of such cost or expense not yet so paid.

11. Cumulative Nature, Nonexclusive Exercise and Waivers of Rights and Remedies.

a. All rights and remedies of each Secured Party pursuant to this Agreement or otherwise shall be cumulative, and no such right or remedy shall be exclusive of any other such right or remedy.

b. No single or partial exercise by any Secured Party of any right or remedy pursuant to this Agreement or otherwise shall preclude any other or further exercise thereof, or any exercise of any other such right or remedy, by any Secured Party.

c. No course of dealing or other conduct heretofore pursued, accepted or acquiesced in, no course of performance or other conduct hereafter pursued, accepted or acquiesced in, and no oral agreement or representation heretofore or hereafter made, by any Secured Party, and no usage of trade, whether or not relied or acted upon, shall operate as a waiver of any right or remedy of any Secured Party pursuant to this Agreement or otherwise. No delay by any Secured Party in exercising any such right or remedy, whether or not relied or acted upon, shall operate as a waiver thereof or of any other such right or remedy. No notice or demand of any kind, and no attempted but unsuccessful notice or demand of any kind, by any Secured Party prior to exercising any such right or remedy on any one occasion, whether or not relied or acted upon, shall operate as a waiver of any right of any Secured Party to exercise the same or any other such right or remedy on such or any future occasion without any notice or demand of any kind. No waiver by any Secured Party of any such right or remedy shall be effective unless made in a writing duly executed by such Secured Party and specifically referring to such waiver. No waiver by any Secured Party of any such right or remedy shall be effective as to any other Secured Party except insofar as such other Secured Party's interest in the Obligations or in any portion thereof derives directly or indirectly from such Secured Party after such waiver. No waiver by any Secured Party on any one occasion of any such right or remedy shall operate as a waiver thereof or of any other such right or remedy on any future occasion.

12. Entire Agreement; Modification; Termination; Nonimpairment; Certain Consents and Waivers.

a. This Agreement contains the entire agreement between each Secured Party and each Debtor with respect to the subject matter of this Agreement, and supersedes each course of dealing or other conduct heretofore pursued, accepted or acquiesced in, and each oral agreement and representation heretofore made, by any Secured Party with respect thereto, whether or not relied or acted upon.

b. No course of performance or other conduct hereafter pursued, accepted or acquiesced in, and no oral agreement or representation hereafter made, by any Secured Party, and no usage of trade, whether or not relied or acted upon, shall modify or terminate this Agreement as to any Debtor or impair or otherwise affect any security interest granted, or assignment, pledge or hypothecation made, pursuant to Section 2a of this Agreement, indebtedness, liability or obligation of any Debtor pursuant to this Agreement or right or remedy of any Secured Party pursuant to this Agreement or otherwise.

c. No modification of this Agreement agreed to by any Secured Party shall be effective unless made in a writing duly executed by such Secured Party and specifically referring to this Agreement being modified. No modification of this Agreement agreed to by any Secured Party shall be effective as to any other Secured Party except insofar as such other Secured Party's interest in the Obligations or in any portion thereof derives directly or indirectly from such Secured Party after such modification.

d. Except as expressly provided in this Agreement, this Agreement shall not be modified or terminated as to any Debtor, and no security interest granted, or assignment, pledge or hypothecation made, pursuant to Section 2a of this Agreement, indebtedness, liability or obligation of any Debtor pursuant to this Agreement or right or remedy of any Secured Party pursuant to this Agreement or otherwise shall be impaired or otherwise affected, by any act, omission or other thing, whether occurring before or after the termination of this Agreement as to such Debtor with respect to any portion of the Obligations. Each Debtor consents, without notice, to each act, omission and other thing that would or might, but for such consent, modify or terminate this Agreement as to any Debtor or impair or otherwise affect any such security interest, assignment, pledge, hypothecation, indebtedness, liability, obligation, right or remedy. Without limiting the generality of the preceding two sentences, this Agreement shall not be modified or terminated as to any Debtor by, no such security interest, assignment, pledge, hypothecation, indebtedness, liability, obligation, right or remedy shall be impaired or otherwise affected by, and such consent shall apply to, (i) any extension of the Obligations or of any portion thereof, regardless of the length of such extension and regardless of whether such extension was preceded by another or others, (ii) any renewal, refinancing, modification, compounding, subordination, acceleration, composition, settlement, adjustment, compromise, reaffirmation, invalidity, irregularity, unenforceability or impairment of, any replacement, cancellation, discharge, assignment, sale, exchange, conversion or other transfer or disposition of, or any grant of any participation in, the Obligations or any portion thereof, (iii) any modification or termination of any writing relating to the Obligations, to any portion of the Obligations, to the Collateral, to any portion of the Collateral or to any Other Collateral, (iv) any acceptance of any Other Obligor, (v) any replacement, release or discharge of, or any modification of any indebtedness, liability or obligation of, any other Debtor or any Primary Obligor, Other Obligor or other Person, (vi) any taking, holding, continuation, modification, increase or decrease in value or impairment of, any replacement, cancellation, release, surrender, abandonment, discharge, assignment, sale, exchange, conversion or other transfer or disposition of, any relying or realizing upon, any grant, perfection, subordination or enforcement of any security interest in, or of any other lien or encumbrance upon, any failure to call for, take, hold, continue, preserve or protect, to replace, assign, sell, exchange, convert or otherwise transfer or dispose of, to rely or realize upon or to perfect, keep perfected or enforce any security interest in, or any other lien or encumbrance upon, or any delay in calling for, taking, continuing, preserving or protecting, in replacing, assigning, selling, exchanging, converting or otherwise transferring or disposing of, in relying or realizing upon or in perfecting, keeping perfected or enforcing any security interest in, or any other lien or encumbrance upon, the Collateral, any portion thereof or any Other Collateral, regardless of its value, (vii) any security interest or other lien or encumbrance not being created in favor of any Secured Party, (viii) the Collateral, any portion thereof or any Other Collateral being or becoming subject to any security interest or other lien or encumbrance (whether or not prior to any security interest or other lien or encumbrance in favor of any Secured Party), subject to any defense or restriction or unenforceable or impaired, (ix) any exercise, delay in the exercise or waiver of, any failure to exercise, or any forbearance or other indulgence relating to, any right or remedy of any Secured Party or other Person against any Debtor, Primary Obligor, Other Obligor or other Person or relating to the Obligations, to any portion of the Obligations, to the Collateral, to any portion of the Collateral or to any Other Collateral, (x) any failure of any Secured Party or other Person to make, prove or vote any claim relating to the Obligations, to any portion of the Obligations, to the Collateral, to any portion of the Collateral or to any Other Collateral in any case or other proceeding pursuant to any Bankruptcy Law, (xi) the occurrence or existence of any Event of Default, (xii) the Obligations being at any time or from time to time reduced and then increased or being at any time or from time to time paid in full, (xiii) any refusal or other failure of any Secured Party or other Person to grant any or any additional loan, credit or other financial accommodation to any Debtor or Primary Obligor, (xiv) any refusal or other failure of any Secured Party or other Person heretofore or hereafter to provide to any Debtor any information relating to any other Debtor, to any Primary Obligor, Other Obligor or other Person or to the business, operations, assets, affairs or condition (financial or other) of any other Debtor or of any Primary Obligor, Other Obligor or other Person or so to provide any such information completely and accurately, (xv) any notice to any Secured Party or other Person from any Debtor, Primary Obligor, Other Obligor or other Person not to grant any or any additional loan, credit or other financial accommodation to any Debtor or Primary Obligor, not to extend, renew, refinance, modify or replace the Obligations or any portion thereof or to take or not to take any other action, (xvi) the acceptance by any Secured Party or other Person of any instrument or other writing intended by any other Person to create an accord and satisfaction with respect to the Obligations or with respect to any portion thereof, (xvii) the manner or order of any sale, exchange, conversion or other disposition of the Collateral, of any portion thereof or of any Other Collateral, (xviii) the manner or order of application of any money received or applied in payment of the Obligations or of any

portion thereof, (xix) any change in the ownership or membership of any Debtor, Primary Obligor, Other Obligor or other Person, (xx) any change in the location, business, name, identity or structure of any Debtor, Primary Obligor, Other Obligor or other Person, (xxi) the expiration of the period of any statute of limitations with respect to any action or other legal proceeding against any other Debtor, or against any Primary Obligor, Other Obligor or other Person, relating to this Agreement, to the Obligations, to any portion of the Obligations, to the Collateral, to any portion of the Collateral or to any Other Collateral or (xxii) the termination of this Agreement as to any other Debtor, whether by agreement, by operation of law or otherwise.

e. Each Debtor waives, without notice, each act and other thing upon which, but for such waiver, any security interest granted, or assignment, pledge or hypothecation made, pursuant to Section 2a of this Agreement, indebtedness, liability or obligation of any Debtor pursuant to this Agreement or right or remedy of any Secured Party pursuant to this Agreement or otherwise would or might be conditioned. Without limiting the generality of the preceding sentence, no such security interest, assignment, pledge, hypothecation, indebtedness, liability, obligation, right or remedy shall be conditioned upon, and such waiver shall apply to, (i) the acceptance of this Agreement by the Bank, (ii) any demand upon, or any presentment or protest to, any Debtor, Primary Obligor, Other Obligor or other Person, (iii) any notice to any Debtor, Primary Obligor, Other Obligor or other Person of any nonpayment, dishonor, default or protest, of the acceptance of this Agreement by the Bank, of the incurring of the Obligations or of any portion thereof or of any other matter or (iv) any exercise of any right or remedy of any Secured Party or other Person against any Debtor, Primary Obligor, Other Obligor or other Person or relating to the Obligations, to any portion thereof or to any Other Collateral.

f. Each Debtor waives, without notice, each right of redemption or appraisal arising in connection with any sale or other disposition of the Collateral or of any portion thereof.

g. This Agreement shall not terminate as to any Debtor with respect to any portion of the Obligations until written notice of (i) its termination by such Debtor or (ii) if such Debtor is an individual, the death of such Debtor or the judicial declaration of such Debtor's incompetence shall have been received by the Bank or by the then Successor of the Bank (or, if any notice specifying any other Secured Party to receive written notices of termination, death and judicial declaration of incompetence shall have previously been delivered, given or sent by the Bank or by any Successor of the Bank to such Debtor or to any other Debtor of whom or of which such Debtor is a Successor, by such other Secured Party) and the Bank or the then Successor of the Bank (or such other Secured Party) shall have had a reasonable period of time to act thereupon. After any written notice of termination, death or judicial declaration of incompetence by or relating to any Debtor shall have been so received and a reasonable time to act thereupon shall have expired, this Agreement shall (i) continue in full force and effect as to such Debtor, and as to each Successor of such Debtor, with respect to (A) each portion of the Obligations arising (I) before such receipt of such notice and the expiration of such period of time or (II) after such receipt of such notice and the expiration of such period of time as a direct or indirect result of any loan, credit or other financial accommodation committed to before such receipt of such notice and the expiration of such period of time, (B) each portion of the Obligations arising after such receipt of such notice and the expiration of such period of time as a direct or indirect result of any portion of the Obligations described in clause (i)(A) of this sentence (including, but not limited to, (I) each extension, renewal, refinancing, modification and replacement of any portion of the Obligations described in such clause (i)(A) that is made after such receipt of such notice and the expiration of such period of time and (II) all interest and other charges accruing after such receipt of such notice and the expiration of such period of time with respect to any portion of the Obligations described in such clause (i)(A) or with respect to any such extension, renewal, refinancing, modification or replacement), (C) costs and expenses described in Section 10 of this Agreement, whether incurred before or after such receipt of such notice and the expiration of such period of time, and (D) the Collateral, whether existing or arising before or after such receipt of such notice and the expiration of such period of time, and (ii) terminate as to such Debtor, and as to each Successor of such Debtor, with respect to each portion of the Obligations that arises after such receipt of such notice and the expiration of such period of time and is not (A) a direct or indirect result of any portion of the Obligations described in such clause (i)(A) or (B) described in clause (i)(C) of this sentence. With respect to this Agreement, the sole effect of such receipt of such notice and the expiration of such period of time shall be to terminate this Agreement to the extent provided in clause (ii) of the preceding sentence. Upon such receipt of such notice, any obligation of any Secured Party to grant any or any additional loan, credit or other financial accommodation to any Debtor shall terminate, notwithstanding any agreement to the contrary.

h. Understanding that (i) because registration of any General Intangible or Instrument included in the Collateral pursuant to the Securities Act of 1933 may not have been effected, because any General Intangible or Instrument included in the Collateral may have been acquired by a Debtor or by another Person for his, her or its own account for investment and not with a view to distribution or resale or because of other circumstances relating to any General Intangible or Instrument included in the Collateral, there may be restrictions and limitations affecting such Secured Party in any attempt expeditiously to sell or otherwise dispose of such General Intangible or Instrument, (ii) in the absence of any agreement to the contrary, such Secured Party may have a general duty to attempt to obtain a fair price for such General Intangible or Instrument if such Secured Party sells or otherwise disposes of such General Intangible or Instrument even though the Obligations may be paid in full through realization of a lesser price for such General Intangible or Instrument and (iii) such Secured Party is not to have any such general duty, each Debtor waives each right to hold such Secured Party responsible for selling or otherwise disposing of such General Intangible or Instrument at an inadequate price even if such Secured Party in good faith accepts the first offer received for, or does not approach more than one possible purchaser of, such General Intangible or Instrument.

13. Governing Law; Jurisdiction; Certain Consents and Waivers.

a. This Agreement shall be governed by and construed, interpreted and enforced in accordance with the internal law of the State of New York, without regard to principles of conflict of laws.

b. Each action and other legal proceeding relating to this Agreement commenced by any Secured Party may be litigated in any court that is either a court of record of the State of New York or a court of the United States located in the State of New York. Each such action and other legal proceeding not commenced by any Secured Party shall be litigated in such a court.

c. Each Debtor (i) consents in each action and other legal proceeding relating to this Agreement commenced by any Secured Party to the personal jurisdiction of any court that is either a court of record of the State of New York or a court of the United States located in the State of New York, (ii) waives each objection to the laying of venue of any such action or other legal proceeding, (iii) waives personal service of process in each such action and other legal proceeding, (iv) consents to the making of service of process in each such action and other legal proceeding by registered mail directed to such Debtor at the last address of such Debtor shown in the records relating to this Agreement maintained by such Secured Party, with such service of process to be deemed completed five days after the mailing thereof, (v) waives in each such action and other legal proceeding each right to trial by jury and each right to assert any counterclaim or setoff or any defense based upon any statute of limitations or upon any claim of laches, (vi) waives each right to attack any final judgment that is obtained as a direct or indirect result of any such action or other legal proceeding, and (vii) consents to each such final judgment being sued upon in any court having jurisdiction with respect thereto and enforced in the jurisdiction in which such court is located as if issued by such court.

14. Notices.

a. Each notice to, and each demand upon, any Debtor by any Secured Party relating to this Agreement may be (i) delivered in person in writing, (ii) delivered in person orally with a subsequent confirmation sent by mail, by telex, by telegram or by mailgram, (iii) given by telephone with a subsequent confirmation sent by mail, by telex, by telegram or by mailgram or (iv) sent by mail, by telex, by telegram or by mailgram. Each such notice and demand delivered in person orally or given by telephone shall be deemed to have been delivered or given when so communicated. Each such notice, demand and confirmation sent to any Debtor by any Secured Party by mail, by telex, by telegram or by mailgram may be directed to

such Debtor at the last address of such Debtor shown in the records relating to this Agreement maintained by such Secured Party. Each such notice, demand and confirmation shall be deemed to have been sent (i) if sent by mail, when deposited in the mail, first-class or certified postage prepaid, or when delivered to any post office for sending by registered mail, directed as provided in the preceding sentence or (ii) if sent by telex, by telegram or by mailgram, when delivered to any telex operator or telegraph or mailgram office directed as provided in the preceding sentence. Each requirement under any statute, regulation or other law of reasonable notice to any Debtor by any Secured Party of any event shall be deemed to have been met if notice of such event is delivered, given or sent to such Debtor by such Secured Party as provided in this Section 14a at least ten days before the date on or after which such event is to occur.

b. Each notice to, and each demand upon, any Secured Party by any Debtor relating to this Agreement (including, but not limited to, Section 12g of this Agreement), and each notice to any Secured Party of the death of any Debtor or of the judicial declaration of any Debtor's incompetence, shall specifically refer to this Agreement, and shall be delivered in person in writing or sent by registered mail. Each such notice and demand delivered or sent to any Secured Party shall be deemed to have been delivered or sent only when actually received by such Secured Party at the residence of such Secured Party if such Secured Party is an individual or at the only or chief executive office of such Secured Party if such Secured Party is not an individual. If such Secured Party is a corporation, each such notice and demand shall be deemed to have been actually received by it at its only or chief executive office only when actually received there by one of its officers.

15. General.

a. If there is more than one Debtor, each of them shall be jointly and severally liable pursuant to this Agreement.

b. This Agreement shall be binding upon each Debtor and upon each heir and legal representative of each Debtor, and shall inure to the benefit of, and be enforceable by, each Secured Party and each heir and legal representative of each Secured Party.

c. Each agreement, consent, waiver, appointment as attorney-in-fact and other thing made, given or done in this Agreement by any of the undersigned shall be on his, her or its own behalf and on behalf of each of his, her or its Successors.

d. Except as expressly provided in this Agreement, each right and remedy of any Secured Party pursuant to this Agreement, and each action of any Secured Party pursuant to the authorization and appointment as attorney-in-fact contained in Section 5 of this Agreement, may be exercised or taken (i) at any time and from time to time, (ii) at the sole option of such Secured Party, (iii) without any notice or demand of any kind and (iv) whether or not any Event of Default has occurred or existed, but such Secured Party shall not be obligated to exercise any such right or remedy or to take any such action. Each request of any Secured Party pursuant to this Agreement may be made (i) at any time and from time to time, (ii) at the sole option of such Secured Party and (iii) whether or not any Event of Default has occurred or existed.

e. Upon and at any time and from time to time after the occurrence or existence of any Event of Default, each Secured Party shall have the right to set off each indebtedness, liability and obligation of such Secured Party in any capacity to any Debtor in any capacity, whether alone or otherwise and whether or not then due, (including, but not limited to, any such indebtedness, liability or obligation arising as a direct or indirect result of any Instrument or Deposit Account) (i) against each indebtedness, liability and obligation of such Debtor to such Secured Party pursuant to this Agreement and (ii) to the extent of any interest of such Secured Party in any indebtedness, liability or obligation of such Debtor to any other Secured Party pursuant to this Agreement by virtue of any participation in the Obligations or in any portion thereof, against such indebtedness, liability or obligation of such Debtor to such other Secured Party. Each exercise by any Secured Party of such right shall be deemed to be immediately effective at the time such Secured Party opts therefor even though evidence thereof is not entered on such Secured Party's records until later.

f. In conjunction with any Secured Party's assignment or other transfer of, or any Secured Party's grant of any participation in, the Obligations or any portion of the Obligations, such Secured Party shall have the right to assign or otherwise transfer, or to grant any participation in, this Agreement, any of such Secured Party's rights and remedies pursuant to this Agreement, the Collateral, any portion of the Collateral or any interest in the Collateral or in any portion of the Collateral. Upon any assignment or other transfer of the Collateral or of any portion thereof by any Secured Party, each responsibility of such Secured Party with respect to the Collateral or with respect to such portion thereof shall terminate.

g. If any Secured Party (i) in good faith deems himself, herself or itself insecure with respect to the Obligations or with respect to any portion of the Obligations, is of the opinion the Collateral or any portion of the Collateral is not sufficient or has declined or may decline in value, or is of the opinion that there is insufficient public information with respect to any General Intangible or Instrument included in the Collateral to permit the sale or other disposition of such General Intangible or Instrument without registration pursuant to the Securities Act of 1933, and (ii) delivers, gives or sends notice of such insecurity or opinion to any Debtor, such Debtor shall provide to such Secured Party such Other Collateral as shall be satisfactory to such Secured Party.

h. Solely to the extent required by any statute, regulation or other law to make the Collateral available for payment of the Obligations, each Debtor guarantees the payment, without any setoff or other deduction, of the Obligations, without any limitation as to amount.

i. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under each applicable statute, regulation and other law. If, however, any such provision shall be prohibited by or invalid under any such statute, regulation or other law, it shall be deemed modified to conform to the minimum requirements of such statute, regulation or other law, or, if for any reason it is not deemed so modified, it shall be prohibited or invalid only to the extent of such prohibition or invalidity without the remainder thereof or any other such provision being prohibited or invalid.

j. Any provision of this Agreement that prohibits any Debtor from taking any action shall be construed to prohibit such Debtor from taking such action directly or indirectly.

k. Except as expressly provided in this Agreement, any reference in this Agreement to any statute, regulation or other law shall be deemed to be as of any time a reference to such statute, regulation or other law as in effect as such time or, if such statute, regulation or other law is not in effect at such time, a reference to any similar statute, regulation or other law in effect at such time.

l. In this Agreement, headings of sections are for convenience of reference only, and are not of substantive effect.

16. Definitions. For purposes of this Agreement:

a. "Bankruptcy Law" means, whether of the United States of America, of any state or territory thereof or of any foreign jurisdiction, (i) any bankruptcy or insolvency statute, regulation or other law or (ii) any other statute, regulation or other law relating to the relief of debtors, to the readjustment, composition or extension of indebtedness, to liquidation or to reorganization.

b. "Collateral" means collectively, wherever located, whether now owned or hereafter acquired or arising, whether or not subject to Article 9 of the Uniform Commercial Code of the State of New York, whether or not described in any schedule heretofore or hereafter delivered to any Secured Party and, except in the case of any personal property of any Debtor that is described in clause (i)(B) of this sentence, whether or not in the possession or under the control of, or enroute to or from, any Secured Party in any capacity or any other Person acting on behalf of any Secured Party, (i) all personal property (including, but not limited to, all Goods, Accounts, Chattel Paper, General Intangibles, Instruments, Documents, Deposit Accounts and money) of each Debtor that is (A) described in Exhibit A attached to and made a part of this Agreement or (B) now or hereafter in the possession or under the control of, or enroute to or from, any Secured Party in any capacity or any other Person acting on behalf of any Secured Party, whether as security for the Obligations, for safekeeping or collection or for any other purpose, (ii) all Goods covered by any

Document described in clause (i) of this sentence, (iii) all parts, accessories, attachments, accessions and tools of each Debtor installed in, affixed to, or used or intended to be used in connection with, any Goods described in clause (i) or (ii) of this sentence, (iv) all direct or indirect increases in, all direct or indirect profits, interest, dividends, distributions and other income and payments on account of, and all direct or indirect proceeds of any replacement, release, surrender, discharge, assignment, sale, exchange, conversion or other transfer or disposition of, of any collection of, or of any exercise of any option or right of subscription relating to, any of the things described in clauses (i) through (iii) of this sentence, whether arising from any action taken by any Debtor or Secured Party or otherwise and whether arising from any exchange, conversion, stock split, spin-off, reclassification, merger, consolidation or other absorption, sale of assets, combination of shares or otherwise, and (v) all Proceeds and Products of any of the things described in clauses (i) through (iv) of this sentence.

c. "Debtor" means (i) any of the undersigned or (ii) any Successor of any of the undersigned.

d. "Equipment" has the meaning given it for purposes of Article 9 of the Uniform Commercial Code of the State of New York as in effect on the date of this Agreement, and, with respect to any Person, includes, but is not limited to, (i) any machinery, vehicle or furniture constituting equipment of such Person and (ii) any part, accessory, attachment, accession or tool installed in, affixed to, or used or intended to be used in connection with, any equipment of such Person.

e. An "Event of Default" occurs or exists if (i) any Debtor, Primary Obligor or Other Obligor defaults in the payment when due, whether by acceleration or otherwise, of any sum now or hereafter owing, whether for principal, for interest or otherwise and whether or not constituting part of the Obligations, by such Debtor, Primary Obligor or Other Obligor to any Secured Party or other Person, the maturity of any such sum is accelerated or there occurs or exists any event or condition that permits, or, after notice, after lapse of time or after both notice and lapse of time, would permit, the acceleration of the maturity of any such sum, (ii) any Debtor, Primary Obligor or Other Obligor defaults in the performance when due of any obligation now or hereafter owing by such Debtor, Primary Obligor or Other Obligor to any Secured Party or other Person other than an obligation to pay money or there occurs or exists any event or condition that constitutes, or, after notice, after lapse of time or after both notice and lapse of time, would constitute, any default with respect to any such obligation, (iii) any Debtor, Primary Obligor or Other Obligor is dissolved, ceases to exist, participates or agrees to participate in any merger, consolidation or other absorption, sells, assigns or otherwise transfers or disposes of all or substantially all of his, her or its assets, makes any bulk sale, sends any notice of any intended bulk sale, dies, becomes incompetent or insolvent (however such insolvency is evidenced), generally fails to pay his, her or its debts as they become due, fails to pay, withhold or collect any tax as required by any statute, regulation or other law, suspends or ceases his, her or its present business, has served or filed against him, her or it or against any of his, her or its assets any attachment, levy, tax lien, warrant or similar lien other than a Permitted Lien or has entered against him, her or it or against any of his, her or its assets any judgment, order or award of any court, agency or other governmental authority or of any arbitrator, (iv) any Debtor has any receiver, trustee, liquidator, sequestrator or custodian of him, her or it or of any of his, her or its assets appointed (whether with or without his, her or its consent), makes any assignment for the benefit of creditors or commences or has commenced against him, her or it any case or other proceeding pursuant to any Bankruptcy Law or any formal or informal proceeding for the dissolution, liquidation or winding up of the affairs of, or for the settlement of claims against him, her or it, (v) any Primary Obligor or Other Obligor has any receiver, trustee, liquidator, sequestrator or custodian of him, her or it or of any of his, her or its assets appointed (whether with or without his, her or its consent), makes any assignment for the benefit of creditors or commences or has commenced against him, her or it any case or other proceeding pursuant to any Bankruptcy Law or any formal or informal proceeding for the dissolution, liquidation or winding up of the affairs of, or for the settlement of claims against him, her or it, (vi) any representation or warranty made in this Agreement, or any representation or warranty heretofore or hereafter made, or any financial statement heretofore or hereafter provided, to any Secured Party by or on behalf of any Debtor, Primary Obligor or Other Obligor, proves, as of the date of such representation, warranty or financial statement, to have been incorrect or misleading in any material respect or, if a financial statement, to have omitted any substantial contingent or unliquidated liability of, or any substantial claim against, such Debtor, Primary Obligor or Other Obligor or there occurred, and was not disclosed to the Bank, before the execution and delivery to the Bank of this Agreement by the undersigned any material adverse change in any information disclosed in any such representation or warranty heretofore made, or in any such financial statement heretofore provided, to the Bank, (vii) there occurs any loss, theft, destruction or substantial decline in the value of, or any substantial damage to, the Collateral or any portion thereof or (viii) any Secured Party in good faith deems himself, herself or itself insecure with respect to the Obligations or with respect to any portion of the Obligations or is of the opinion that the Collateral or any portion of the Collateral is not sufficient or has declined or may decline in value, whether or not any Secured Party has asked any Debtor, Primary Obligor or Other Obligor for any Other Collateral.

f. "General Intangible" has the meaning given it for purposes of Article 9 of the Uniform Commercial Code of the State of New York as in effect on the date of this Agreement, and, with respect to any Person, includes, but is not limited to, (i) any computer software of such Person, (ii) any Uncertificated Security of such Person or any other security of such Person not evidenced by an Instrument, (iii) any trademark, service mark, trade style, trade name, patent, copyright, license or franchise of such Person and (iv) goodwill of such Person.

g. "Goods" has the meaning given it for purposes of Article 9 of the Uniform Commercial Code of the State of New York as in effect on the date of this Agreement, and, with respect to any Person, includes, but is not limited to, any Fixture, Equipment, Inventory, Farm Product or Consumer Goods of such Person.

h. "Inventory" has the meaning given it for purposes of Article 9 of the Uniform Commercial Code of the State of New York as in effect on the date of this Agreement, and, with respect to any Person, includes, but is not limited to, any inventory of such Person that is returned, repossessed, reclaimed or stopped in transit or is raw material or work in process.

i. "Obligations" means collectively (i) all indebtedness, liabilities and obligations for the payment of money, regardless of kind and whether for the payment of principal or of interest or otherwise, now existing or hereafter arising, created directly or by any assignment or other transfer, direct or indirect, absolute or contingent (including, but not limited to, all indebtedness, liabilities and obligations arising as a direct or indirect result of any guaranty, endorsement or other assurance or as a direct or indirect result of any letter of credit), due or not due, contractual or tortious, liquidated or unliquidated or arising by operation of law or otherwise, that are now or hereafter owing by any Debtor or Primary Obligor in any capacity, whether alone or otherwise, to the Bank or to any Successor of the Bank in any capacity, whether or not allowed as a claim against such Debtor or Primary Obligor in any case or other proceeding pursuant to any Bankruptcy Law, and (ii) all indebtedness, liabilities and obligations of any type described in clause (i) of this sentence that are hereafter owing by any Debtor or Primary Obligor to any Person as a direct or indirect result of any indebtedness, liability or obligation described in such clause (i) being assigned or otherwise transferred by the Bank or by any Successor of the Bank (including, but not limited to, (A) all extensions, renewals, refinancings, modifications and replacements of any indebtedness, liability or obligation described in such clause (i) that are made after any assignment or other transfer thereof and (B) all interest and other charges that accrue with respect to any indebtedness, liability or obligation described in such clause (i) or with respect to any extension, renewal, refinancing, modification or replacement thereof after any assignment or other transfer thereof).

j. "Other Collateral" means (i) whether now existing or hereafter arising, any guaranty, endorsement or other assurance, any collateral or other security, or any subordination, directly or indirectly securing, or otherwise directly or indirectly applicable to, any indebtedness, liability or obligation of any Debtor pursuant to this Agreement, the Obligations or any portion thereof, except for the security interests granted, and the assignments, pledges and hypothecations made, pursuant to Section 2a of this Agreement, (ii) any indebtedness, liability or obligation of any Secured Party to any Debtor, Primary Obligor or Other Obligor that is now or hereafter available for setoff by such Secured Party against any indebtedness, liability or obligation of any Debtor pursuant to this Agreement, against the Obligations or against any portion thereof (including, but not limited to, any such indebtedness, liability or obligation of such Secured Party arising as a direct or indirect result of any Instrument or Deposit

Account or (iii) any asset of any Debtor, Primary Obligor or Other Obligor that is now or hereafter subject to any banker's lien of any Secured Party.

k. "Other Obligor" means any Person who or which is not a Debtor or Primary Obligor and (i) who or which is now or hereafter directly or indirectly liable for the payment of the Obligations or of any portion thereof, whether as maker, drawer, acceptor, endorser, guarantor, surety, accommodation party or otherwise, (including, but not limited to, if any Debtor is a partnership, any general partner of such Debtor) or (ii) any asset of whom or of which now or hereafter directly or indirectly secures the payment of the Obligations or of any portion thereof.

l. "Permitted Lien" means (i) any security interest in, or any other lien or encumbrance upon, the Collateral or any portion thereof fully and accurately described in Exhibit B attached to and made a part of this Agreement, (ii) any security interest in, or any other lien or encumbrance upon, the Collateral or any portion of the Collateral in favor of any Secured Party to the extent that such security interest or other lien or encumbrance secures the payment of the Obligations or of any portion of the Obligations, (iii) any lease of any inventory included in the Collateral by any Debtor as lessor in the ordinary course of his, her or its business and without interference with the conduct of his, her or its business or operations, (iv) any pledge or deposit of any General Intangible, Instrument, Deposit Account or money included in the Collateral that is made by any Debtor in the ordinary course of his, her or its business (A) in connection with any workers' compensation, unemployment insurance, social security or similar statute, regulation or other law or (B) to secure the performance of any letter of credit, bid, tender, trade or government contract, lease, statutory obligation, surety, appeal or performance bond or similar obligation not incurred in connection with the borrowing of any money or the payment of the deferred purchase price of any asset, (v) any attachment, levy or similar lien against the Collateral or against any portion thereof arising in connection with any action or other legal proceeding so long as (A) the validity of the claim or judgment secured thereby is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, (B) adequate reserves have been appropriately established for such claim or judgment, (C) the execution or other enforcement of such attachment, levy or similar lien is effectively stayed and (D) neither such claim or judgment nor such attachment, levy or similar lien has any material adverse effect on any Debtor or on the business, operations, assets, affairs or condition (financial or other) of any Debtor, (vi) any statutory lien upon the Collateral or upon any portion thereof in favor of the United States of America for any amount paid to any Debtor as a progress payment pursuant to any government contract, (vii) any statutory lien upon the Collateral or upon any portion thereof securing the payment of any tax, assessment, fee, charge, fine or penalty imposed by any government or political subdivision upon any Debtor or upon any of the assets, income and franchises of any Debtor or the payment of any claim or demand of any materialman, mechanic, carrier, warehouseman, garageman or landlord against any Debtor so long as such tax, assessment, fee, charge, fine, penalty, claim or demand is not yet due or (A) the validity of such tax, assessment, fee, charge, fine, penalty, claim or demand is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, (B) adequate reserves have been appropriately established for such tax, assessment, fee, charge, fine, penalty, claim or demand, (C) the execution or other enforcement of such statutory lien is effectively stayed and (D) neither the failure to pay such tax, assessment, fee, charge, fine, penalty, claim or demand nor such statutory lien has any material adverse effect on any Debtor or on the business, operations, assets, affairs or condition (financial or other) of any Debtor or (viii) any reservation, exception, encroachment, easement, right-of-way, covenant, condition, restriction, lease or similar title exception or encumbrance affecting the title to any Fixture included in the Collateral but not interfering with the conduct of the business or operations of any Debtor.

m. "Person" means (i) any individual, corporation, partnership, joint venture, trust, unincorporated association, government or political subdivision, (ii) any court, agency or other governmental authority or (iii) any other entity, body, organization or group.

n. "Primary Obligor" means (i) the Borrower or (ii) any Successor of the Borrower.

o. "Secured Party" means (i) the Bank, (ii) any assignee or other transferee of the Obligations or of any portion thereof, (iii) any holder of any participation in the Obligations or in any portion thereof to the extent provided in the agreement granting such participation or (iv) any Successor of the Bank, of any such assignee or other transferee or of any such holder.

p. "Successor" means, with respect to any Person, (i) if such person is an individual, the estate of such Person, (ii) if such Person is not an individual, any direct or indirect successor of such Person (including, but not limited to, (A) if such Person is a corporation, any other corporation into which such Person is hereafter directly or indirectly merged, consolidated or otherwise absorbed and (B) if such Person is a partnership, any other partnership hereafter created as a direct or indirect result of the admission of any new member or as a direct or indirect result of the death or withdrawal of any member) or (iii) any other Person to whom or to which all or substantially all of the assets of such Person are hereafter directly or indirectly assigned or otherwise transferred.

Dated June 24, 1994

EASTERN RAILWAY SUPPLIES, INC.

By

Robert P. Rude
Robert P. Rude, President

By

James E. Westlake
James E. Westlake, Vice President

ACCEPTED BY:

MANUFACTURERS AND TRADERS TRUST COMPANY

By

David N. Richardson
David N. Richardson, Vice President

- ACKNOWLEDGMENTS -

STATE OF NEW YORK)
: SS.
COUNTY OF ERIE)

On this 24th day of June 1994, before me personally appeared Robert P. Rude, to me personally known, who, being by me duly sworn, says that he is the President of Eastern Railway Supplies, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Renee E. Schweitzer
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 5-16-95

Renee E. Schweitzer
Notary Public
My commission expires May 15, 1995

STATE OF NEW YORK)
 : SS.
COUNTY OF ERIE)

On this 24th day of June 1994, before me personally appeared James E. Westlake, to me personally known, who, being by me duly sworn, says that he is the Vice President of Eastern Railway Supplies, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Renee E. Schweitzer
Notary Public
My commission expires May 15, 1995

Renee E. Schweitzer
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 5-15-95

STATE OF NEW YORK)
 : SS.
COUNTY OF ERIE)

On this 24th day of June 1994, before me personally appeared David N. Richardson, to me personally known, who, being by me duly sworn, says that he is a Vice President of Manufacturers and Traders Trust Company, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Renee E. Schweitzer
Notary Public
My commission expires May 15, 1995

Renee E. Schweitzer
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 5-15-95

EXHIBIT A

(For use with Section 16b of this Agreement)

Section 16b (Description of Collateral):

1. All of each Debtor's right, title and interest in and to any railroad mounted cranes and other rolling stock, whether now owned or hereafter acquired or arising, including, but not limited to, the railroad mounted cranes listed on Rider 1 attached to and made a part of this Agreement.
2. All of each Debtor's (a) right, title and interest in and to all Chattel Paper, leases and rental and bailment agreements relating to any railroad mounted cranes or other rolling stock or interests therein included in the Collateral, whether now owned or hereafter acquired or arising, including, but not limited to, the leases listed on Rider 2 attached to and made a part of this Agreement, and (b) Accounts and other rights to payment relating to, proceeds of, and rents, profits, revenues and other amounts arising from or payable under, any Chattel Paper, lease or rental or bailment agreement referred to in the preceding clause (a).

EXHIBIT B

(For use with Sections 4u, 4v, 9a and 16l of this Agreement)

RIDER 1
TO SPECIFIC SECURITY AGREEMENT
DATED JUNE 24, 1994
BETWEEN
EASTERN RAILWAY SUPPLIES, INC.
AND
MANUFACTURERS AND TRADERS TRUST COMPANY

RAIL CRANE
MODEL, SERIAL NO.
herein designated as
ICC Identification No.

American Hoist & Derrick
825-DE, S/N J-2613

American Hoist & Derrick
825-DE, S/N J-2657

American Hoist & Derrick
825-DE, S/N J-3545

American Hoist & Derrick
825-DE, S/N J-3546

American Hoist & Derrick
825-DE, S/N L-3729

American Hoist & Derrick
825-DE, S/N L-3738

American Hoist & Derrick
840-DE, S/N J-3013

American Hoist & Derrick
850-80-DE, S/N 3445

American Hoist & Derrick
830-DE, S/N J-3027

American Hoist & Derrick
9070, S/N 3971

Ohio Crano Co.
DE400, S/N 4947

American Hoist & Derrick
840-DE, S/N J-3004

American Hoist & Derrick
850-80-DE, S/N 3650

American Hoist & Derrick
840-DE, S/N 3102

RIDER 2
TO SPECIFIC SECURITY AGREEMENT
DATED JUNE 24, 1994
BETWEEN
EASTERN RAILWAY SUPPLIES, INC.
AND
MANUFACTURERS AND TRADERS TRUST COMPANY

RAIL CRANE
MODEL, SERIAL NO.
herein designated as
ICC Identification No.

LESSOR

American Hoist & Derrick
850-80-DE, S/N 3445

New Jersey Transit

American Hoist & Derrick
830-DE, S/N J-3027

Conrail

American Hoist & Derrick
9070, S/N 3971

Santa Fe